

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Financial Statements

Year Ended June 30, 2022

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

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Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Conservation Council of New Brunswick Inc.

Opinion

We have audited the financial statements of Conservation Council of New Brunswick Inc. (the Organization), which comprise the statement of financial position as at June 30, 2022, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at June 30, 2022, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Teed Saunders Doyle

Fredericton, New Brunswick
November 26, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Financial Position

June 30, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 268,192	\$ 233,643
Marketable securities	378,110	401,046
Accounts receivable	167,331	48,867
Prepaid expenses	9,166	7,937
	<u>822,799</u>	<u>691,493</u>
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	<u>64,765</u>	<u>66,446</u>
	<u>\$ 887,564</u>	<u>\$ 757,939</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 24,975	\$ 29,240
Government remittances payable	934	1,283
Deferred revenue <i>(Note 5)</i>	316,440	178,686
	<u>342,349</u>	<u>209,209</u>
LONG TERM DEBT <i>(Note 6)</i>	<u>40,000</u>	<u>40,000</u>
	<u>382,349</u>	<u>249,209</u>
NET ASSETS		
Unrestricted	416,450	418,284
Reserve fund	24,000	24,000
Invested in property and equipment	64,765	66,446
	<u>505,215</u>	<u>508,730</u>
	<u>\$ 887,564</u>	<u>\$ 757,939</u>

ON BEHALF OF THE BOARD

X _____ *Director*

X _____ *Director*

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Changes in Net Assets

Year Ended June 30, 2022

	Unrestricted	Reserve Fund	Invested in Property and Equipment	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 418,284	\$ 24,000	\$ 66,446	\$ 508,730	\$ 453,789
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,834)	-	(1,681)	(3,515)	54,941
INVESTMENT IN PROPERTY AND EQUIPMENT	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 416,450	\$ 24,000	\$ 64,765	\$ 505,215	\$ 508,730

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Statement of Revenues and Expenditures

Year Ended June 30, 2022

	2022	2021
REVENUE		
Project revenue <i>(Note 7)</i>	\$ 568,907	\$ 492,086
Donations	102,294	86,228
Memberships	3,547	3,677
Project administration	31,069	34,578
Sales and service	2,353	3,603
Wage subsidies	16,030	31,884
Investment <i>(Note 8)</i>	1,590	98,172
	<u>725,790</u>	<u>750,228</u>
EXPENSES		
Amortization	1,618	1,501
Bank charges	1,355	1,083
Building and property expense	12,842	13,534
Dues and subscriptions	7,641	5,339
Equipment purchases and rentals	3,130	3,059
Fundraising	21,580	8,686
In-kind directors travel	-	265
Investment counsel fees	6,712	5,433
Member services	518	62
Office, occupancy and general expenses	27,076	25,852
Professional fees	12,893	13,140
Project expense <i>(Note 7)</i>	563,521	524,458
Salaries and wages	70,419	92,875
	<u>729,305</u>	<u>695,287</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (3,515)	\$ 54,941

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

**Statement of Cash Flow
Year Ended June 30, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (3,515)	\$ 54,941
Items not affecting cash:		
Amortization	1,620	1,501
Amortization - projects	61	83
	<u>(1,834)</u>	<u>56,525</u>
Changes in non-cash working capital:		
Accounts receivable	(118,464)	(31,461)
Prepaid project expenses	(1,229)	1,792
Accounts payable	(4,265)	21,039
Government remittances payable	(349)	(3,938)
Deferred revenue	137,754	(101,630)
	<u>13,447</u>	<u>(114,198)</u>
	<u>11,613</u>	<u>(57,673)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(12,165)
Marketable securities activity	22,936	(91,823)
	<u>22,936</u>	<u>(103,988)</u>
INCREASE (DECREASE) IN CASH	34,549	(161,661)
CASH - BEGINNING OF YEAR	233,643	395,304
CASH - END OF YEAR	\$ 268,192	\$ 233,643

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2022

1. PURPOSE OF THE ORGANIZATION

The Conservation Council of New Brunswick Inc. is a citizen-based not-for-profit environmental organization that promotes public policies that recognize the importance of a healthy environment. The organization is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

The organization considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Donated assets are recorded at fair market value at the date of donation. Property and equipment is amortized over its estimated useful life on a declining balance basis at the following rates:

Buildings	4%
Computer equipment	30%
Furniture, fixtures and equipment	20%
Marine equipment	30%

The organization regularly reviews its property and equipment to eliminate obsolete items.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Significant estimates include allowances for doubtful accounts receivable and useful lives of property and equipment. Actual results could differ from these estimates.

Deferred revenue

Deferred revenue represents project funding received prior to year-end for which expenses have not been incurred.

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CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Conservation Council of New Brunswick Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Marketable securities are recorded at market value and investment income is accrued as earned.

Donated materials

Donated property, marketable securities and other non-cash donations are recorded as contributions at their estimated fair market value at the date of the donation.

Financial instruments policy

The organization considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

1. Cash and cash equivalents
2. Trade and other receivables
3. Payables and accruals
4. Marketable securities

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the organization is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The organization subsequently measures its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment, except for marketable securities which are measured at fair value.

The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

3. FINANCIAL INSTRUMENTS

It is management's opinion that the organization is not exposed to significant interest, liquidity, or price risks arising from financial instruments.

CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2022

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 29,660	\$ -	\$ 29,660	\$ 29,660
Buildings	65,549	31,058	34,491	35,928
Computer equipment	8,678	8,274	404	578
Furniture and fixtures	3,762	3,731	31	39
Project - Computer equipment	21,791	21,760	31	45
Project - Equipment and furniture	8,429	8,355	74	97
Project - Marine equipment	29,873	29,799	74	99
	<u>\$ 167,742</u>	<u>\$ 102,977</u>	<u>\$ 64,765</u>	<u>\$ 66,446</u>

5. DEFERRED REVENUE

	2022	2021
Marine conservation	\$ 147,136	\$ 58,621
Biodiversity	3,109	8,159
Healthwatch	10,613	10,613
Sustainable energy	155,582	101,293
	<u>\$ 316,440</u>	<u>\$ 178,686</u>

6. LONG TERM DEBT

OMISTA Credit Union (CEBA) interest-free loan with no principal repayments, (with \$10,000 forgiven if \$30,000 repaid by December 31, 2023 or convert to a 5% monthly interest-only term loan on January 1, 2024 with \$40,000 principal repayment to be repaid in full by December 31, 2025).

	2022	2021
	\$ 40,000	\$ 40,000

Principal repayment terms are approximately:

2025	\$ 40,000
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CONSERVATION COUNCIL OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended June 30, 2022

7. PROJECT REVENUE AND EXPENSES

	<u>2022</u>	<u>2021</u>
Project revenue		
Biodiversity	\$ 63,155	\$ 114,260
Forest conservation	40,000	7,500
Fresh water protection	3,740	72,339
Marine conservation	138,284	89,386
Sustainable energy	<u>323,728</u>	<u>208,601</u>
	568,907	492,086
Project expenses		
Amortization	61	83
Biodiversity	58,440	123,140
Forest conservation	39,974	7,500
Fresh water protection	1,247	74,853
Marine conservation	136,768	117,413
Sustainable energy	<u>327,031</u>	<u>201,469</u>
	563,521	524,458
Net project surplus (loss)	<u>\$ 5,386</u>	<u>\$ (32,372)</u>

8. INVESTMENT REVENUE

Net investment revenue includes unrealized losses on marketable securities of \$35,476 (2021 - unrealized gains of \$90,698).

9. RESERVE FUND

The Board established a reserve fund with a target of accumulating \$24,000 which would approximate three months of operating expenditures.